

Message Text

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ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 FBOE-00 /018 W

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P R 140945Z MAR 76

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC PRIORITY 4035

INFO USDOC WASHDC

AMCONSUL DHAHRAN

AMEMBASSY KUWAIT

UNCLAS JIDDA 1873

STATE/EB FOR DEPUTY ASSISTANT SECRETARY BILLER

USDOC FOR DEPUTY ASSISTANT SECRETARY HOSTLER

KUWAIT FOR FBO AREA OFFICER GEORGE TWOHIE

E.O. 11652: N/A

TAGS: BEXP, ETRD, AFSP, ABLD

SUBJECT: EMBASSY COMMERCIAL CENTER

1. LEASE ON OUR COMMERCIAL CENTER, LOCATED IN JIDDA PALACE HOTEL, WILL NOT BE RENEWED ON EXPIRATION JUNE 30, 1976. EMBASSY HAS OPERATED DOWNTOWN ADJUNCT OF ECONOMIC/COMMERCIAL SECTION FOR THREE YEARS, WHICH HAS BEEN RELATIVELY CONVENIENT TO AMERICAN AND SAUDI BUSINESS CALLERS, BUT MINISCULE SPACE AND POOR LAYOUT COUPLED WITH FILTHY SURROUNDINGS, NOISE AND OTHER DISTRACTIONS HAVE LED EMBASSY TO LOOK FOR OTHER ALTERNATIVE LOCATION. THIS SEARCH EFFORT STARTED NEARLY ONE YEAR AGO WHEN IT WAS APPARENT THAT EXPANDING ECONOMIC BOOM AND PHENOMENAL INCREASE IN VISITS BY U.S. BUSINESSMEN REQUIRED MORE SUITABLE AND COMMODIOUS COMMERCIAL CENTER. (SEE 75 JIDDA 3302. BUILDING MENTIONED PARA FOUR STILL UNDER CONSTRUCTION WITH OCCUPANCY A YEAR AWAY. ALSO, RENTALS HAVE BEEN INCREASED PROMPTING US TO DROP CONSIDERATION FOR USE OF THIS PROPERTY AS COMMERCIAL CENTER.)

2. FIVE FSL EMPLOYEES OF ECONOMIC/COMMERCIAL SECTION WORK

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IN COMMERCIAL CENTER IN ADDITION TO FSO-5 ASSISTANT

COMMERCIAL ATTACHE. NEW COMMERCIAL OFFICER (FSO-5 POSITION NO. 20-113 ESTABLISHED BY STATE 056246) WILL ALSO HAVE OFFICE AT COMMERCIAL CENTER. WITH TERMINATION OF LEASE AT END OF JUNE, EMBASSY WILL HAVE NO SPACE AVAILABLE FOR COMMERCIAL CENTER PERSONNEL. CHANCERY IS NOW FILLED TO OVER-FLOWING AND WE HAVE NO HOUSES WHICH CAN BE CONVERTED FOR THIS PURPOSE. (WE NEED FOR ADDITIONAL HOUSING UNITS JUST TO ACCOMMODATE PRESENT PERSONNEL.)

3. ECONOMICS OF JIDDA REAL ESTATE BOOM PRECLUDE POSSIBILITY OF RENTING OTHER SPACE. GOING RATE OF SHOW ROOM AND SUITABLE OFFICE SPACE IN JIDDA NOW RUNS AT \$600 SQ. METER ANNUALLY.

4. EMBASSY BELIEVES ONLY SOLUTION IS LOCATE COMMERCIAL CENTER ON EMBASSY COMPOUND. EMBASSY HAS ADEQUATE LAND ON WHICH TO ERECT STRUCTURE WITH SEPARATE STREET ENTRANCE (FOR SECURITY) SIMILAR TO, AND ADJOINING, PRESENT CONSULATE STRUCTURE. UTILIZING EMBASSY TECHNICIANS AND DESIGN FORCE, STRUCTURE CAN BE ERECTED AND EQUIPPED FOR COST OF \$200,000, WHICH WOULD BE ANNUAL COST OF 3,000 SQ. FT. OF COMMERCIAL SPACE AT TODAY'S RENTAL.

5. ACTION REQUIRED: EMBASSY REQUESTS ON MOST URGENT BASIS ACTIVE CONSIDERATION BY DEPARTMENT AND COMMERCE FOR FUNDING CONSTRUCTION OF COMMERCIAL CENTER (BUSINESS, VISITOR AND COMMERCIAL LIBRARY, WITH SUPPORT FACILITIES) ON EMBASSY COMPOUND WITH COST ESTIMATE OF \$200,000. FBO WILL HAVE OFFICER VISITING EMBASSY/JIDDA MARCH 28-30. WOULD BE MOST APPRECIATIVE OF DEPARTMENT DECISION WHICH MIGHT TAKE ADVANTAGE OF FBO VISIT.
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